

TOTAL ENERGY SERVICES INC.



AltaCorp Capital • Institutional Investor Conference
January 12-14, 2016 – Toronto
FOCUS DISCIPLINE GROWTH



Non-IFRS Measures



EBITDA means earnings before interest, taxes, depreciation and amortization and is equal to net income before income taxes plus finance costs plus depreciation. Cashflow means cash provided by operations before changes in non-cash working capital items. EBITDA and cashflow are not recognized measures under International Financial Reporting Standards (“IFRS”). Management believes that in addition to net income, EBITDA and cashflow are useful supplemental measures as they provide an indication of the results generated by the Company’s primary business activities prior to consideration of how those activities are financed, amortized or how the results are taxed in various jurisdictions as well as the cash generated by the Company’s primary business activities without consideration of the timing of the monetization of non-cash working capital items. Readers should be cautioned, however, that EBITDA and cashflow should not be construed as an alternative to net income determined in accordance with IFRS as an indicator of Total Energy’s performance. Total Energy’s method of calculating EBITDA and cashflow may differ from other organizations and, accordingly, EBITDA and cashflow may not be comparable to measures used by other organizations.



Forward-Looking Statements



Certain information presented in these remarks and in this presentation that is not historical factual information may constitute forward-looking information within the meaning of securities laws. Actual results could differ materially from a conclusion, forecast or projection contained in such forward-looking information. Forward-looking information may relate to our future outlook and anticipated events or results and may include statements about Total Energy Services Inc. or its subsidiaries (“Total Energy” or “Total”), including business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future financial performance, ongoing business strategies or prospects, and possible future action on our part, is also a forward-looking statement.

Certain material factors or assumptions were also applied in drawing a conclusion or making a forecast or projection as reflected in such forward-looking information. Additional information about the material factors that could cause actual results to differ materially from the conclusions, forecasts or projections in the forward looking information, details regarding the material factors or assumptions that were applied in drawing such conclusions or making such forecasts or projections, and more exhaustive information on the risks and uncertainties can be found in Total’s most recent Annual Information Form which is available on www.sedar.com

Corporate Information



• Common Shares TSX Trading Symbol	TOT
• Common Shares Outstanding	30.9 million
• Options Outstanding (\$14.30 average exercise price)	3.06 million
• Market Capitalization (basic, at \$13.50 share price)	\$417 million
• Director/Officer Ownership (basic)	7%
• Common Share Dividend (per share)	\$0.06/quarter (\$0.24/annum)
• Long Term Debt (3.06%, \$278,800 monthly P&I pmt, due May 2020)	\$49.2 million (at September 30, 2015)
• Working Capital (includes \$18.2 million cash & marketable securities)	\$92.6 million (at September 30, 2015)
• Credit Facilities (secured by cash, inventory & A/R)	\$65 million (currently undrawn)

Operations



Three business divisions:

Contract Drilling Services
(Chinook Drilling)

Rentals and Transportation Services
(Total Oilfield Rentals)

Compression & Process Services
(Bidell Compression & Spectrum Process Systems)

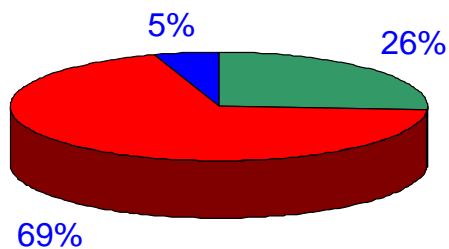


Divisional Revenue

(Percentage of Consolidated Revenue)

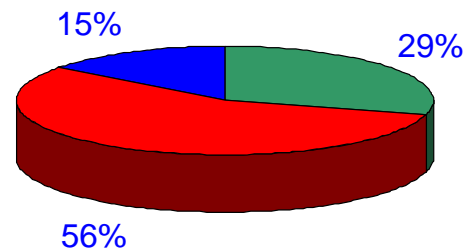


Nine months ending
Sept 30, 2015



■ Rentals & Transportation Services
■ Compression & Process Services
■ Contract Drilling Services

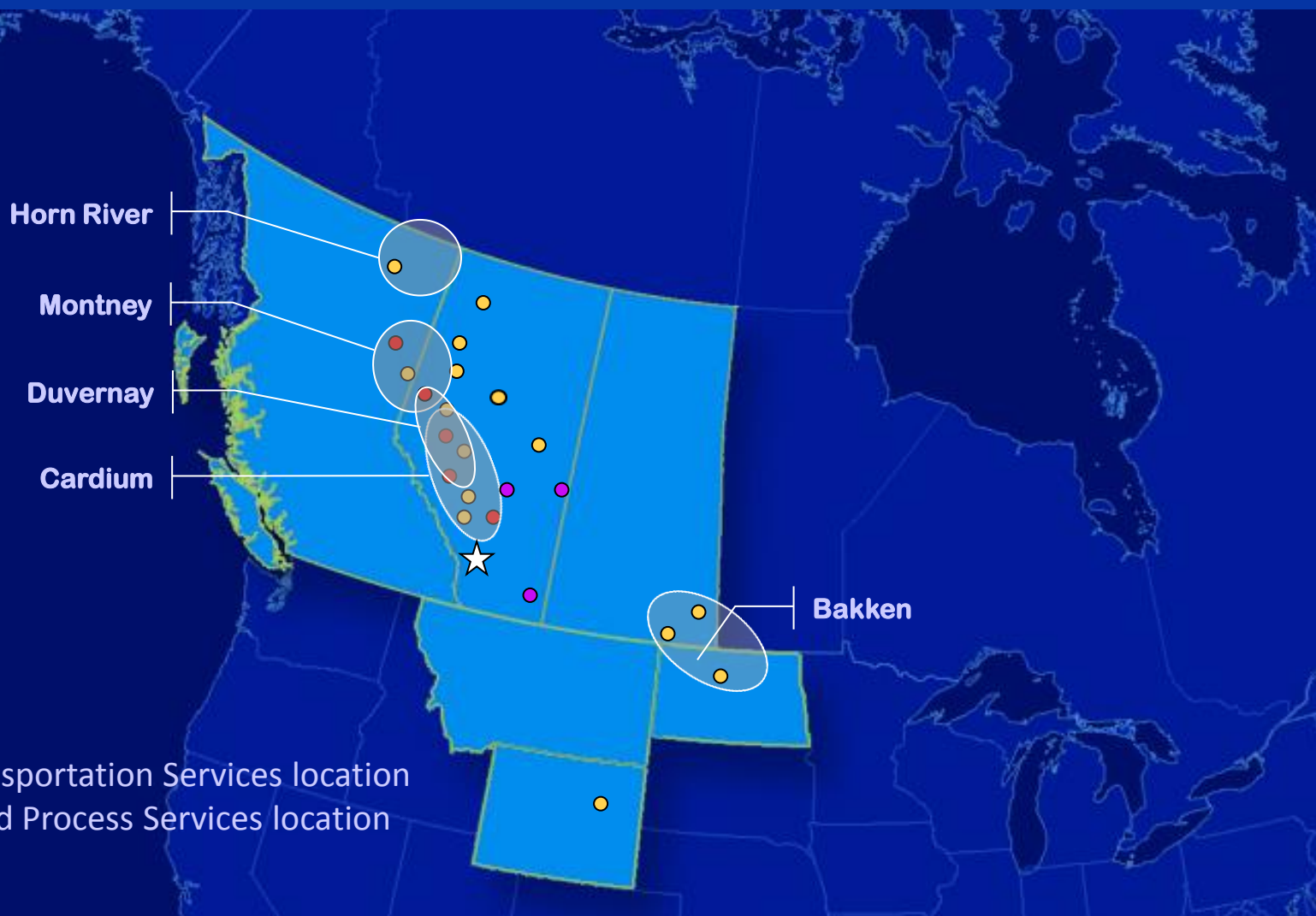
Nine months ending
Sept 30, 2014



■ Rentals & Transportation Services
■ Compression & Process Services
■ Contract Drilling Services

Operations Infrastructure

Exposure to Significant WCSB Resource Plays



Contract Drilling Services

Chinook Drilling



- Focused on deeper basins in Western Canada
- 18 rig fleet: 16 telescopic doubles and two extended reach singles
- Telescopic doubles include 14 mechanical and two AC electric rigs
- Mechanical doubles have drilled up to 6,000 meter Duvernay horizontal wells
- Significant owned top-drive fleet - 70% of rig fleet
- Efficient cost structure allows division to remain profitable despite severe price pressure and very low utilization – look to “ride out the storm”



Contract Drilling – *Chinook Drilling*

(dollar amounts in thousands)



<i>Three months ended Sept 30</i>	2015	2014	% Change
Operating Days (spud to release)	291	863	(66)%
# of Rigs (period end)	18	17	6%
Revenue	\$ 4,598	\$ 16,758	(73)%
EBITDA	\$ 1,224	\$ 4,430	(72)%
Assets (period end)	\$114,230	\$121,325	(6)%

Contract Drilling – *Chinook Drilling*

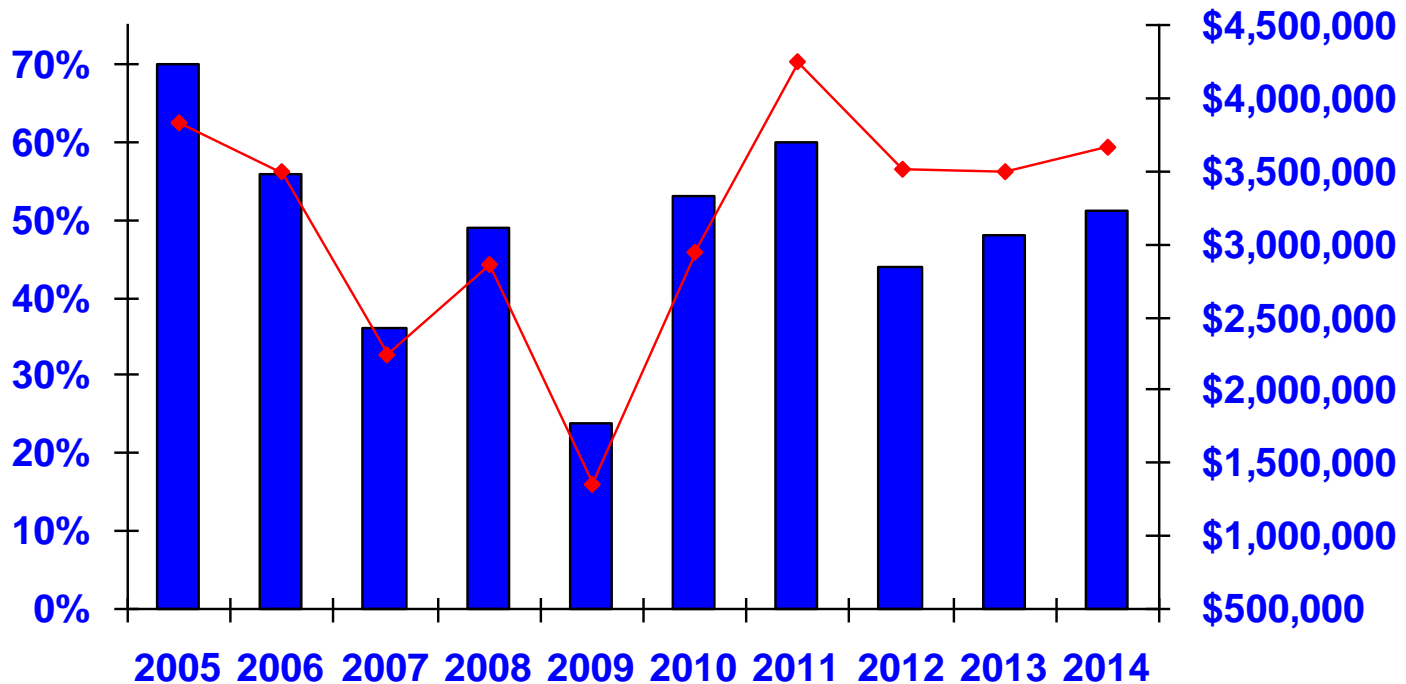
(dollar amounts in thousands)



<i>Nine months ended Sept 30</i>	2015	2014	% Change
Operating Days (spud to release)	679	2,282	(70)%
# of Rigs (period end)	18	17	6%
Revenue	\$ 11,953	\$ 46,124	(74)%
EBITDA	\$ 3,328	\$ 14,225	(77)%
Assets (period end)	\$114,230	\$121,325	(6)%

Contract Drilling Services

Revenue/Rig



■ Rig Utilization (%) —◆— Revenue/Rig (\$)

Rentals and Transportation Services

Total Oilfield Rentals



- Leading provider of surface rental equipment and general oilfield hauling in western Canada with growing presence in the northwestern United States
- Provide equipment and transportation services used in the drilling, completion and production of oil and natural gas wells
- Current fleet of approximately 10,000 pieces of rental equipment and 120 heavy trucks based in 22 branch locations
- Very challenging environment – strategic balancing of equipment utilization and pricing
- Pursue consolidation/acquisition opportunities to achieve economies of scale associated with high fixed cost business and benefit from significant owned real estate portfolio



Rentals and Transportation Services

(dollar amounts in thousands)



<i>Three months ended Sept 30</i>	2015	2014	% Change
Rental Pieces (period end)	10,000	10,000	-
Heavy Trucks (period end)	120	109	10%
Average Utilization (rental equipment)	22%	40%	(45)%
Revenue	\$ 15,861	\$ 30,088	(47)%
EBITDA	\$ 4,219	\$ 11,900	(65)%
Assets	\$238,322	\$245,996	(3)%

Rentals and Transportation Services

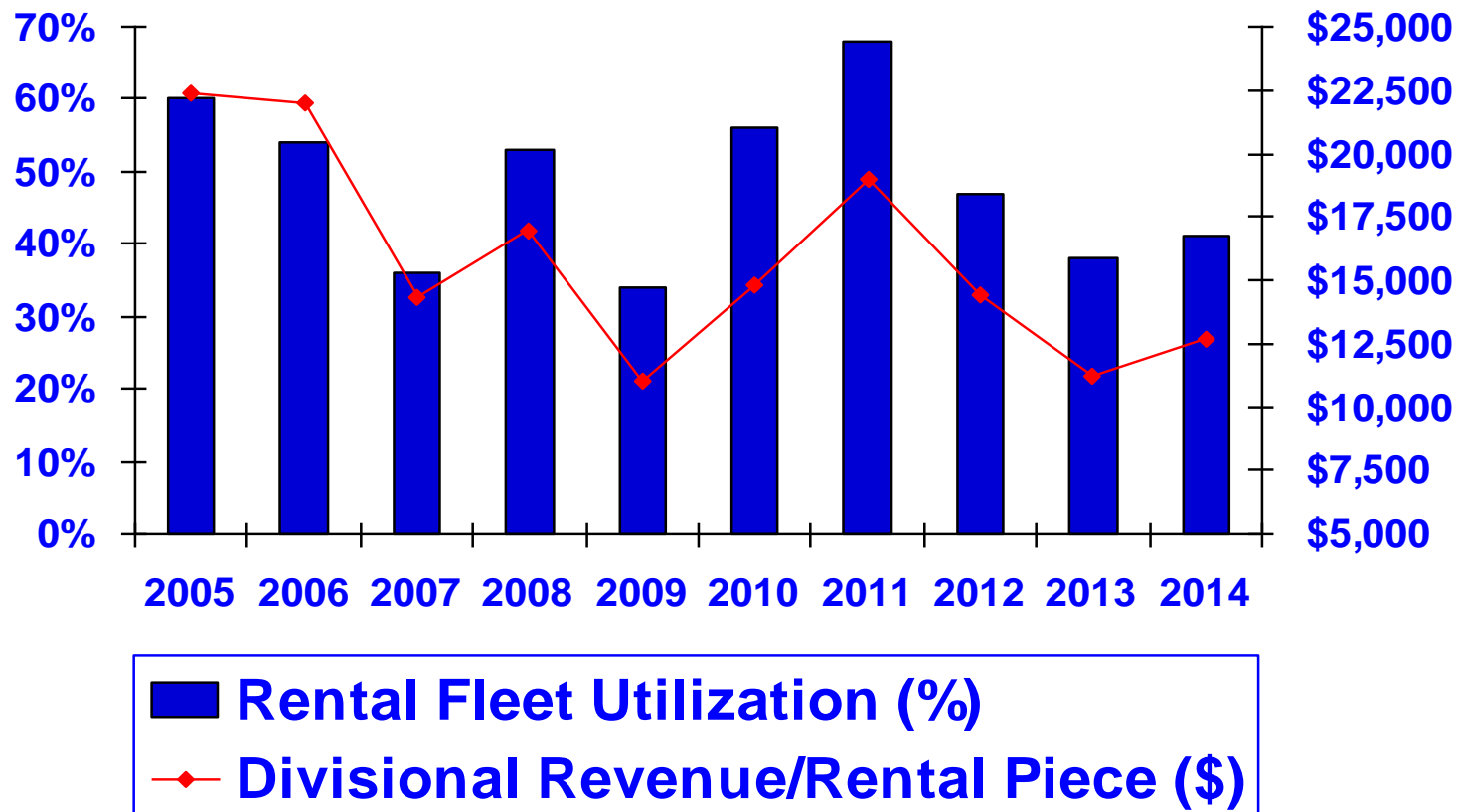
(dollar amounts in thousands)



<i>Nine months ended Sept 30</i>	2015	2014	% Change
Rental Pieces (period end)	10,000	10,000	-
Heavy Trucks (period end)	120	109	10%
Average Utilization (rental equipment)	26%	40%	(35)%
Revenue	\$ 59,285	\$ 88,555	(33)%
EBITDA	\$ 17,576	\$ 32,745	(46)%
Assets (period end)	\$238,322	\$245,996	(3)%

Rentals and Transportation Services

Historical Revenue Analysis



Compression and Process Services

Bidell Gas Compression



- In business since 1988, Bidell is a leading provider of gas compression fabrication, sales, rental and service in Canada and select international markets
- Manufacture 25 to 10,000 hp compression packages
- Carry all major engine lines (natural gas and electric) and compressors (reciprocating and screw)
- Designated Canadian Platinum Participant in General Electric's Distributed Power business in 2015
- Patented NOMAD™ line of large hp mobile compressors – maximize compression capital and operating efficiencies for steep decline wells
- Growing parts and service infrastructure throughout Western Canada and Northwestern US - offer an extensive parts inventory, exchange programs, overhaul and retrofit services



Compression and Process Services

Spectrum Process Services



- Established Spectrum in late 2012 to provide additional exposure to North American energy infrastructure build, including LNG development
- Acquisition of Opsco Manufacturing in Q1 2013 materially increased market presence
- Offer full service project management, engineering, design and procurement services
- Specialize in design and fabrication of large capacity dehydration, regeneration, separation, line heaters, free water knock outs and custom manufactured process equipment



Compression and Process Services

(dollar amounts in thousands)



<i>Three Months ended Sept 30</i>	2015	2014	% Change
Compression Horsepower on Lease (period end)	18,900	35,500	(47)%
Fabrication Sales Backlog (period end)	\$ 51,100	\$ 78,600	(35)%
Revenue	\$ 46,254	\$ 61,387	(25)%
EBITDA	\$ 7,374	\$ 9,691	(24)%
Assets (period end)	\$175,456	\$184,426	(5)%

Compression and Process Services

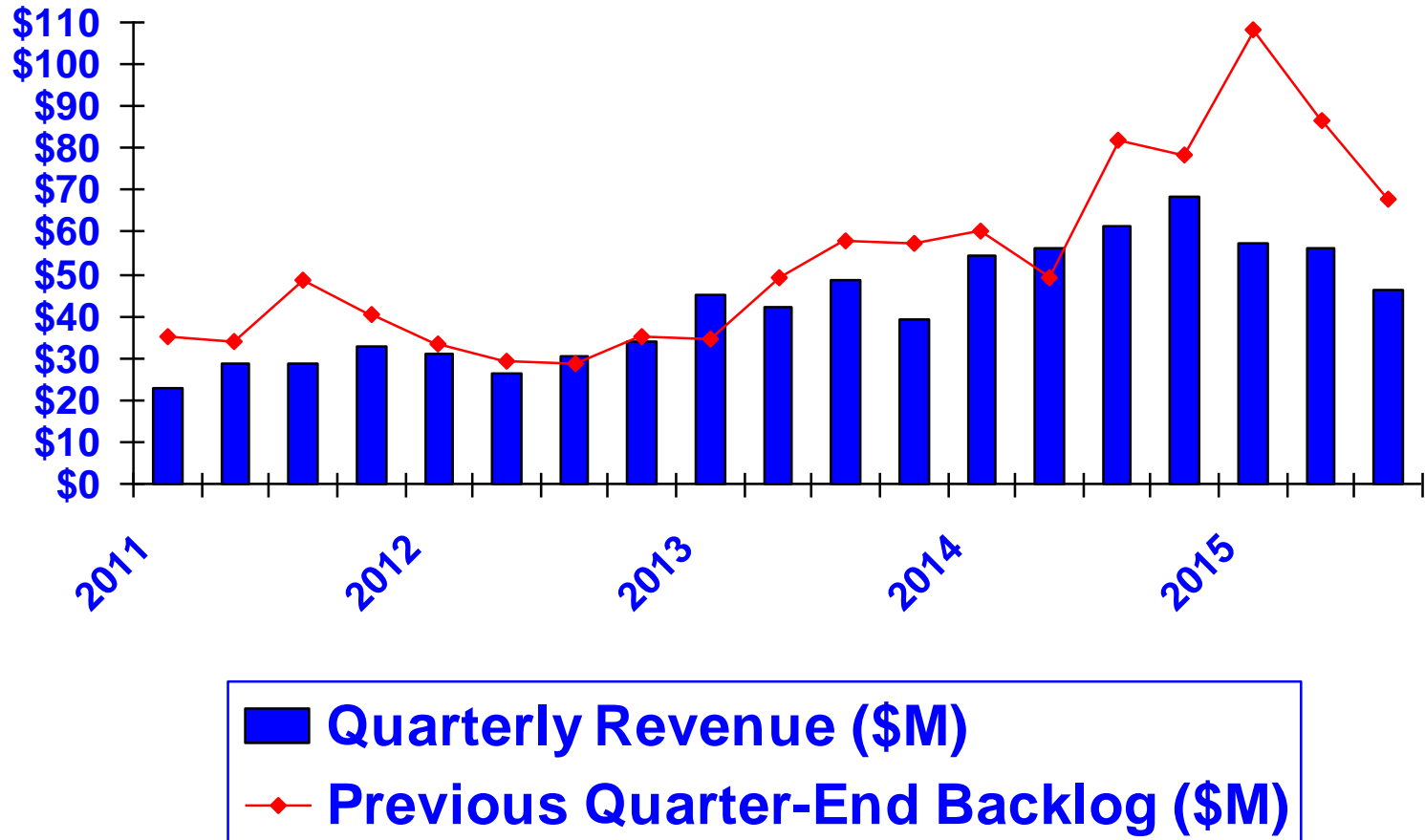
(dollar amounts in thousands)



<i>Nine Months ended Sept 30</i>	2015	2014	% Change
Horsepower on Lease (period end)	18,900	35,500	(47)%
Fabrication Sales Backlog (period end)	\$ 51,100	\$ 78,600	(35)%
Revenue	\$159,873	\$172,361	(7)%
EBITDA	\$ 29,620	\$ 34,231	(13)%
Assets (period end)	\$175,456	\$184,426	(5)%

Compression and Process Services

Historical Revenue Analysis



Consolidated Financial Performance

(in thousands of dollars, except per share amounts)



<i>Three Months ended Sept 30</i>	2015	2014	% Change
Revenue	\$ 66,713	\$ 108,233	(38)%
EBITDA	11,137	24,596	(55)%
Cashflow	(92)	24,184	(100)%
Net Income	1,570	11,752	(87)%
<i>Per Share, Diluted</i>			
EBITDA	\$0.36	\$0.70	(49)%
Cashflow	\$0.00	\$0.69	(100)%
Net Earnings	\$0.05	\$0.37	(86)%

Consolidated Financial Performance

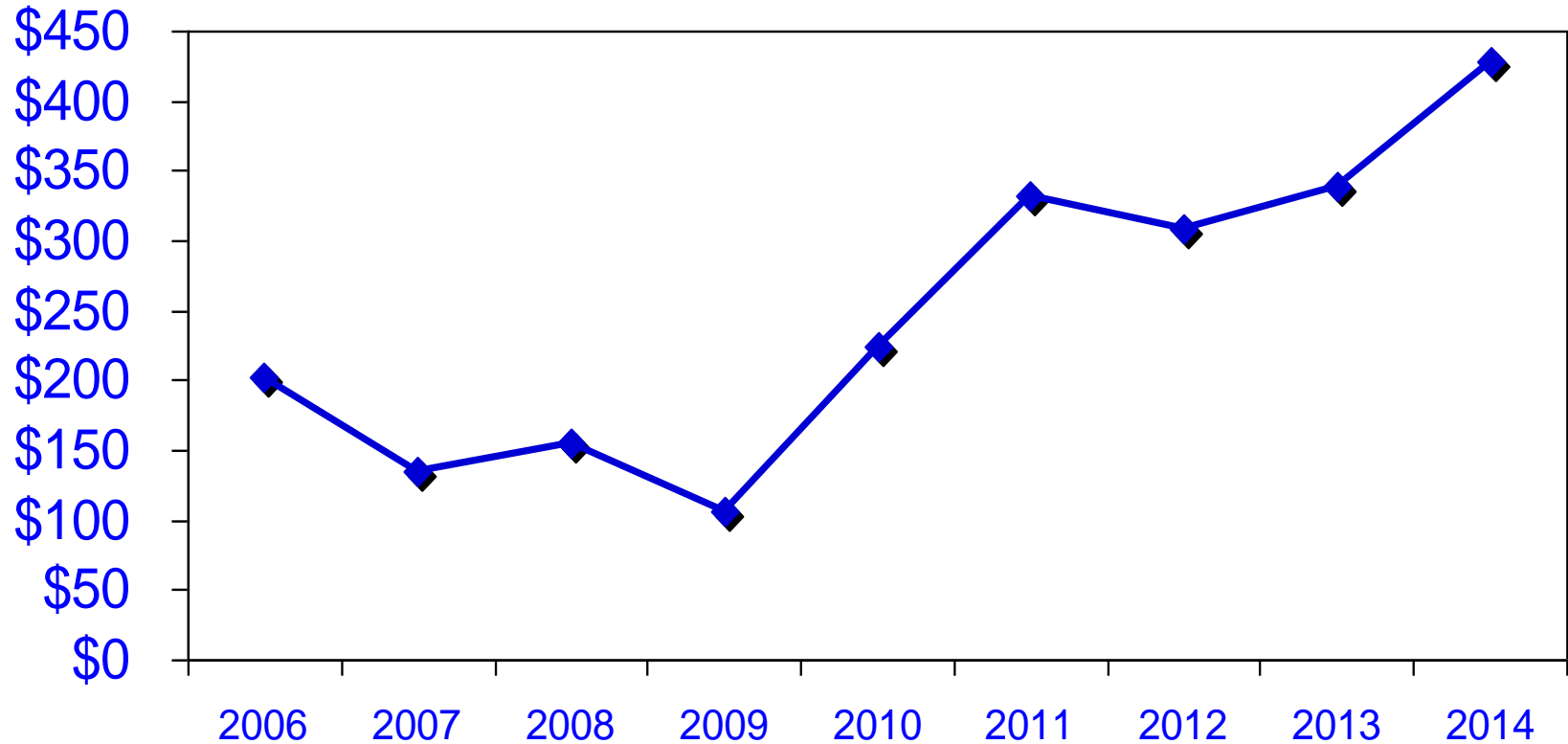
(in thousands of dollars, except per share amounts)



<i>Nine Months ended Sept 30</i>	2015	2014	% Change
Revenue	\$ 231,111	\$ 307,040	(25)%
EBITDA	46,288	76,195	(39)%
Cashflow	14,237	78,078	(82)%
Net Income	11,674	39,996	(71)%
<i>Per Share, Diluted</i>			
EBITDA	\$1.49	\$2.19	(32)%
Cashflow	\$0.46	\$2.24	(79)%
Net Income	\$0.38	\$1.24	(69)%

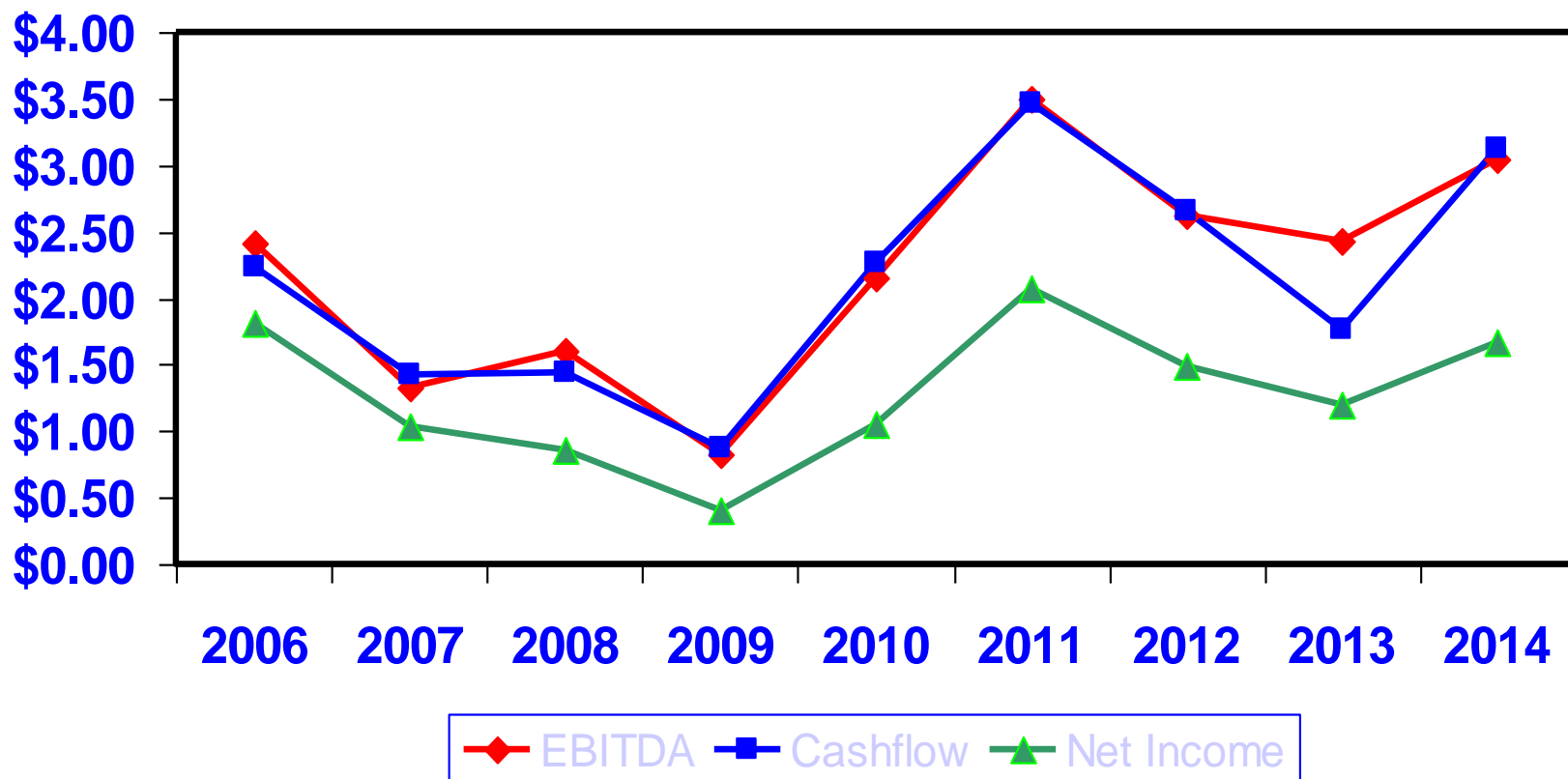
Long Term Performance – Annual Revenue

(in millions of dollars)



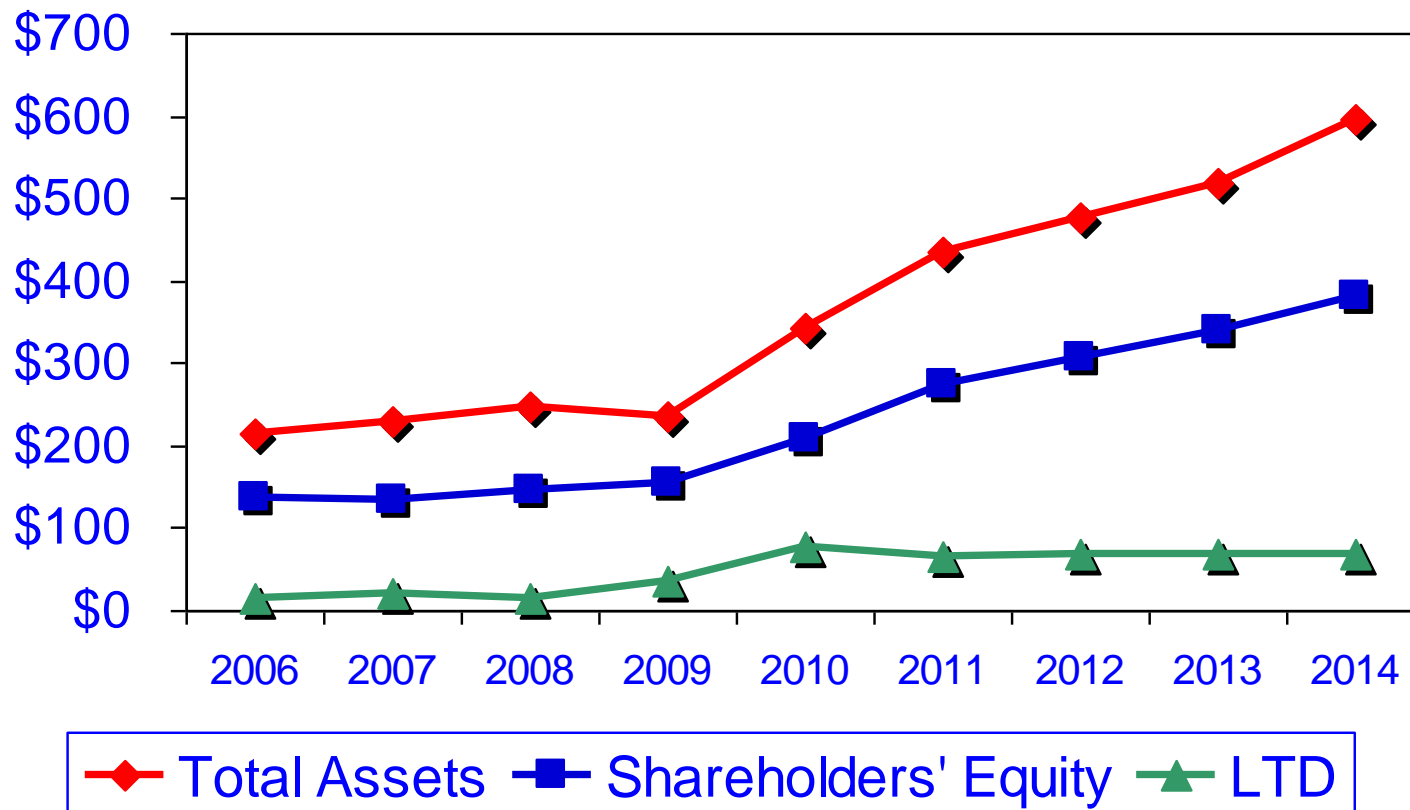
Long Term Performance – Income Statement

(dollars per share, diluted)



Long Term Performance – Balance Sheet

(in millions of dollars)



2015 Capital Expenditure Budget

(in millions of dollars)



\$19.4 million 2015 capital expenditure budget:

- \$5.0 million – expansion of gas compression rental fleet
- \$8.6 million – maintenance and miscellaneous
- \$2.7 million – equipment for the Compression and Process Services division
- \$3.1 million of 2014 carry-forward

\$16.6 million of capital expenditures during nine months ended September 30, 2015

No remaining 2015 capital expenditure commitments to be carried into 2016



Strong Track Record



- Established long-term track record of building sustainable shareholder value:
 - 10 year annual total asset growth rate of 17%
 - 10 year annual EBITDA/share (diluted) growth rate of 24%
 - 10 year annual pre-tax return on total assets of 16%
 - 10 year annual pre-tax return on equity of 27%
 - No capital asset or goodwill impairment write-downs ever recorded after completing over 20 acquisitions since 1997
 - Returns achieved with moderate use of debt

Annual growth rates are 10 year simple averages (2005-2014). ROA and ROE are calculated using the simple average of opening and closing total assets and equity, respectively.



Well Positioned For the Future



Well positioned for continued accretive growth that rewards our owners:

Operational strength: stable, experienced management and a well established market position in each business division provides a solid base for continued growth.

Financial strength: \$49.2 million LTD secured by 63% (based on value) of owned real estate; remaining capital assets available to support additional debt if required. Unused \$65 million operating line secured by current assets only.

Rewarding our Owners: from Jan 1, 2010 to September 30, 2015 returned \$73.1 million to Shareholders (\$33.6 million of dividends and \$39.5 million of share buybacks).

Leverage to Increased Activity: from Jan. 1, 2010 to September 30, 2015: \$314.3 million (182%) increase to PPE (net of proceeds from dispositions but excluding depreciation) against a 1.8 million (6%) increase in shares outstanding.



Contact Information



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